



Department of Justice

FOR IMMEDIATE RELEASE
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JUSTICE DEPARTMENT APPROVES PALM BEACH, FLORIDA FLIGHT SUPPORT SERVICES MERGER

Divestiture Required as Condition of Approval

WASHINGTON, D.C. -- Signature Flight Support Corporation will be allowed to acquire International Aviation Palm Beach Inc., as long as certain assets and leaseholds of Signature's flight support business at Palm Beach International Airport are sold to a third party, the Department of Justice announced today. Flight support services include such things as fueling, and ramp and hanger space rentals.

Without the divestiture, the deal likely would have resulted in higher prices to charter, private and corporate aircraft operators who use fixed base operations at Palm Beach International airport, the Justice Department said.

Fixed base operations are facilities located at airports that provide flight support services. Last year, aircraft operators purchased around \$1 billion of jet fuel from fixed base operators nationwide.

Joel I. Klein, Acting Assistant Attorney General in charge of the Department's Antitrust Division, said, "Signature's merger with International Aviation would have lead to higher prices by creating a duopoly in the sale of jet fuel to aviation customers using the Palm Beach airport. Through this divestiture, consumers will continue to obtain the benefits of competition in the form of lower fuel prices at Palm Beach."

The Department's Antitrust Division filed a civil suit in U.S. District Court in Washington, D.C. to block Signature's original deal to acquire International Aviation. At the same time, a proposed settlement was filed that, if entered by the court, will settle the suit.

The complaint alleges that the merger, without the proposed divestiture, would have reduced competition in the already concentrated market for the provision of fixed base operation services at Palm Beach International airport. Based on sales of jet fuel, International Aviation accounts for about 40 percent of the market and Signature accounts for about 25 percent. Combining both fixed base operations would have resulted in the merged firm having about 65 percent of the market.

The proposed settlement requires the sale of certain assets and leaseholds of Signature's fixed base operations business at Palm Beach within 180 days to an entity capable of operating the fixed base assets as a long-term, viable competitor. The divestiture will prevent general aviation

customers at Palm Beach from paying higher jet fuel prices. Until the sale is complete, the assets to be divested must be maintained and operated as they are today.

Signature is headquartered in Orlando, Florida, and owns the nation's largest network of fixed base operations, which consists of 34 locations nationwide. Signature's 1995 revenues were \$233 million.

International Aviation is a subsidiary of IAS Holdings, Inc. of White Plains New York, which, in addition to its fixed base operations at Palm Beach, also runs similar operations in White Plains, New York and Teterboro, NJ.

As required by the Tunney Act, the proposed settlement agreement will be published in the Federal Register, along with the Department's competitive impact statement. Any person may submit comments concerning the proposed settlement agreement during the 60-day comment period to Roger W. Fones, Chief, Transportation, Energy and Agriculture Section, Antitrust Division, U.S. Department of Justice, 325 Seventh Street, N.W., Suite 500, Washington, D.C. 20530.

At the conclusion of the 60-day comment period, the court may enter the consent decree upon finding that it serves the public interest.

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